

competing television program guides.²⁷¹ Reliance on such competition law represents the route taken, at least at present, by the European Union.²⁷²

As to telephone subscriber information, Congress has already acted to ensure that this information is accessible to others. The Telecommunications Act of 1996 requires telecommunications carriers to provide non-discriminatory access to telephone numbers and directory listings.²⁷³ A number of participants in the Copyright Office meetings urged that this legislative compromise not be reversed or undermined by any new database legislation. One way to address their concern would be an explicit safeguard clause stating that nothing in the legislation affects that provision of the Telecommunications Act.²⁷⁴

Sports statistics, including the scores of individual games, is a topic that has elicited a great deal of concern, as well as litigation. Specifically, the view has been expressed that sports leagues and teams should not be able to prevent others from reporting on and communicating these facts. Those expressing this view include newspapers, broadcasters and consumers as well as those in the business of compiling and marketing such information. Stock exchange trading information presents similar issues. It may be important for news organizations or financial

²⁷¹ *Radio Telefis Eireann v. European Commission*, Court of Justice of the European Communities [1995] All ER 416, [1995] FSR 530 (April 6, 1995). Similar antitrust claims have been made by defendants in copyright infringement cases in the United States, with mixed success. The defendant in *Feist*, for example, successfully asserted an antitrust counterclaim in the district court. *Rural Tel. Serv. Co. v. Feist Publications, Inc.*, 737 F. Supp. 610 (D. Kan. 1990). That judgment was overturned on appeal. 957 F. 2d 765 (10th Cir. 1992).

²⁷² See *supra*, section IV.B.

²⁷³ Telecommunications Act of 1996, Pub. L. No. 104-104, § 222(e), 110 Stat. 56, 61, 62 (1996) (codified at 47 U.S.C. § 222(e)).

²⁷⁴ Cf. H.R. 3531, § 9(c) (“Nothing in this Act shall prejudice provisions concerning copyright, rights related to copyright or any other rights or obligations in the database or its contents, including laws in respect of patent, trademark, design rights, antitrust or competition, trade secrets, data protection and privacy, access to public documents, and the law of contract”).

analysts to be able to report and transmit information about current stock prices, available only through the services of the particular exchange.

For both of these examples, the timeliness of the data is likely to be critical, given the audiences for information as the game is played, or for prices for immediate purchase. Another variable is the extent to which others have a legitimate need to extract more than an insubstantial amount of such information—i.e., not just trading prices of particular stocks, or the outcome of the third inning of a game.

Finally, arguments have been made for special treatment of databases which are not literally sole sources, but may be the only economically feasible sources of particular data. While others can in theory independently obtain the data elsewhere, doing so is prohibitively expensive or economically wasteful. This may be the case where the data requires substantial time and effort to obtain or the database has a narrow niche market (such as a small scientific subspecialty), and no other producer has the resources or ability meaningfully to compete with a first comer. The greatest area of concern expressed is the database produced by a single producer from government data, where the data is not made available by the government in usable form. Although federal agencies are prohibited from awarding exclusive contracts for this purpose, in many cases the reality may be that only one producer enters into a contract for a particular set of data.

Such databases appear to present somewhat different policy questions than literally sole source databases. On the one hand, there is a public interest in easier, cheaper access to data for users. On the other hand, presumably in these circumstances the database producer has had to make a proportionally higher investment to obtain the data, or take greater risks. It may be that the markets for such databases cannot support more than one producer. It is unclear whether granting new legal protection will change these circumstances, either exacerbating a lack of competition or encouraging more.

On the sole source issue too, the form and scope of any new protection may be key. Within the context of an unfair competition model, the use of such a database for non-competitive purposes may be permissible. Moreover, the misappropriation doctrine could allow distinctions based on the “hotness” of the data, giving its producer some lead time in exploiting the market, but then making the data available for third-party use. If one adopts a property rights model instead, the question will be the scope of the rights and how any exceptions are drawn.

H. Constitutionality

One other set of issues requires consideration, although they were not discussed in depth at the Copyright Office meetings: the constitutional implications of any new legislation in this area. Two primary issues have been identified: (1) possible constraints imposed on Congressional power to legislate in this area by the language of the Copyright Clause,²⁷⁵ and (2) First Amendment limitations. We provide here an outline of the nature of the problems rather than an in-depth analysis.

1. *Copyright Clause*

The Copyright Clause imposes certain restrictions on Congress’s ability to enact copyright legislation. The text itself makes clear that copyrights cannot be of indefinite duration, but can only be granted “for limited times.” In addition, the Supreme Court in *Feist* held that Congress could not constitutionally provide copyright protection based on “sweat of the brow,” but could only protect works of authorship embodying a modicum of creativity. The questions are then whether Congress can provide protection for “sweat” or investment without creativity under a different Article I power, most likely under the Commerce Clause,²⁷⁶ and whether any such

²⁷⁵ U.S. CONST., art. I, sec. 8, cl. 8 (authorizing Congress to grant copyrights and patents by giving it the power “to promote the Progress of Science and Useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.”) [hereinafter, the *Copyright Clause*].

²⁷⁶ U.S. CONST., art. I, sec. 8, cl. 3.

protection must incorporate a limited term. The answers to these questions are not entirely clear. They may depend in part on the form of protection that is chosen, and the extent to which it differs from copyright in both end and means.

It has long been accepted that Congress has the power to enact trademark legislation under the Commerce Clause, despite the fact that trademarks may be seen as a form of intellectual property; that trademark law protects material that does not meet standards for copyright or patent protection; and that the protection may last indefinitely. The Supreme Court's opinion in *The Trademark Cases*²⁷⁷ held unconstitutional an early attempt by Congress to enact a trademark law, based on a lack of Congressional power under either the Copyright Clause or the Commerce Clause. According to the Court, the Copyright Clause did not provide authority for the legislation because trademarks have different "essential characteristics" from inventions or writings, since they are the result of use (often of already-existing material) rather than invention or creation, and do not depend on novelty or originality.²⁷⁸ The Commerce Clause did not provide authority because the law governed *all* commerce and was not limited to interstate or foreign commerce, "the kind of commerce which Congress is authorized to regulate."²⁷⁹ The opinion suggests that similar legislation limited as to the type of commerce involved would pass constitutional muster under the Commerce Clause. Indeed, such legislation was subsequently enacted and has continued unchallenged since 1905.

To the extent that database protection promotes different policies from copyright protection, and does so in a different manner, it is similar to trademark law, and therefore seems likely to survive a constitutional challenge.

²⁷⁷ 100 U.S. 82 (1879).

²⁷⁸ *Id.* at 93-94.

²⁷⁹ *Id.* at 97.

Some doubt is created, however, by a 1982 Supreme Court decision dealing with the interaction of the Commerce Clause with another enumerated Article I power of Congress, the Bankruptcy Clause. In *Railway Labor Executives' Association v. Gibbons*,²⁸⁰ the Court struck down a statute enacted to provide protection to the employees of a railroad in bankruptcy, on the ground that this was prohibited by the “uniformity” requirement of the Bankruptcy Clause, and Congress could not evade this prohibition by legislating under the Commerce Clause. The opinion therefore suggests that Congress cannot necessarily rely on the generality of the Commerce Clause to evade specific restrictions set out in other enumerated powers.²⁸¹

Nevertheless, it seems possible to distinguish *Railway Labor*, and reconcile it with the implications of *The Trademark Cases*. In *Railway Labor*, the statute at issue by its terms regulated the administration of a bankruptcy, so that the Commerce Clause was being used to enact a bankruptcy statute without abiding by the restrictions of the Bankruptcy Clause. Protecting the investment in databases may be seen as distinct from protecting original authorship through copyright, and therefore avoid running afoul of the specific restrictions in the Copyright Clause. In *Feist* itself, the Court suggested that protection for “sweat” could appropriately be provided under a different legal theory, despite the fact that it could not be provided under copyright law. If, however, database legislation appears to be the equivalent of copyright under another name, but providing protection to uncopyrightable subject matter for unlimited times, the use of a different label and the recitation of a different constitutional basis will not alone be sufficient to save it. In sum, the more the statute differs from copyright, the more likely it is to be constitutional.

This is not to say that only an unfair competition model would pass constitutional muster. While an unfair competition statute seems most clearly to avoid Copyright Clause problems, it is

²⁸⁰ 455 U.S. 457 (1982).

²⁸¹ See Jane C. Ginsburg, *No ‘Sweat’ ? Copyright and Other Protection of Works of Information After Feist v. Rural Telephone*, 92 COLUM. L. REV. 338, 370 (1992).

possible that a new but sufficiently distinct form of property right could also fall within Congressional Commerce Clause power.

2. *First Amendment*

The First Amendment must also be kept in mind in considering any new database protection legislation. To the extent that the legislation restricts the communication of facts, it might implicate First Amendment values.

Because copyright restricts the use of expression, it also has the potential to raise First Amendment problems. The courts have held, however, that copyright law accommodates First Amendment values through the idea/expression dichotomy and the fair use doctrine.²⁸²

Depending on the model chosen and the formulation adopted for any database legislation, it might be advisable to include an explicit statutory provision clarifying that individual facts are not protected.²⁸³ If individual facts remain free to be used for purposes of expression, whether political, artistic or other, there may be little need from a First Amendment perspective to copy a substantial portion of an entire database. To the extent that making a statement requires the use of more than a few facts, the form of protection and the nature and scope of the statutory exceptions would be highly relevant.

²⁸² See *Harper & Row, Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 560 (1985).

²⁸³ *Cf.* 17 U.S.C. § 102(b).

APPENDIX A

Circular

65

**Copyright
Registration
for Automated
Databases**

Copyright Registration for Automated Databases

DEFINITION

An automated database is a body of facts, data, or other information assembled into an organized format suitable for use in a computer and comprising one or more files.

The copyright law does not specifically enumerate databases as copyrightable subject matter but the legislative history indicates that Congress considered computer databases and compilations of data as "literary works" subject to copyright protection. Databases may be considered copyrightable as a form of compilation, which is defined in the law as a work "formed by the collection and assembling of preexisting materials or of data that are selected, coordinated, or arranged in such a way that the resulting work as a whole constitutes an original work of authorship."

EXTENT OF COPYRIGHT PROTECTION

Copyright protection extends to the compilation of facts if the compilation represents original authorship. In some instances some or all of the contents of a database, new or revised, may also be copyrightable, as in the case of a full-text bibliographic database.

Copyright protection is not available for:

- ideas, methods, systems, concepts, and layouts;
- individual words and short phrases, individual unadorned facts; and
- the selection and ordering of data in a database where the collection and arrangement of the material is a mechanical task only, and represents no original authorship; e.g., merely transferring data from hard copy to computer storage.

COPYRIGHT REGISTRATION

Copyright registration is a legal formality intended to make a public record of the basic facts of a particular copyright. In general, registration is not a condition of copyright protection. However, the copyright law encourages registration by providing certain incentives to register. For more information see Circular 1.

WHAT CONSTITUTES PUBLICATION OF A DATABASE?

The copyright law defines publication as "the distribution of copies or phonorecords of a work to the public by sale or other transfer of ownership, or by rental, lease, or lending. The offering to distribute copies or phonorecords to a group of persons for purposes of further distribution, public performance, or public display, constitutes publication." It is unclear whether on-line availability with or without printers for the user constitutes publication of the work under the copyright law. The Copyright Office does not determine whether a particular database is published or not. Instead, that decision is made by the copyright owner.

REGISTRATION FOR AUTOMATED DATABASES

Using a single application, deposit, and filing fee, automated databases may be registered in either of two ways:

- (1) As a single basic registration covering the database as published on a given date or, if unpublished, as created on a given date; or
- (2) As a group registration for a database with its updates or revisions (or for only its updates/revisions) added over a period of time, whether or not they are published, but only if certain conditions are met. (See Section titled "Group Registration for Automated Database Updates/Revisions" on page 5.)

1. Single Basic Registration

For a **published** database, a single basic registration ordinarily is made for the initial database as first published on a given date. For infrequent updates that are all added to the database and published on a single date (e.g., quarterly updates published on one day), a single basic registration is appropriate.

For an **unpublished** database created over a period of **more** than one day and not yet containing any updates, a single basic registration is appropriate. Similarly, when a previously completed database is later revised or updated on a single date (e.g., quarterly updates all added on one day), a basic registration is appropriate.

2. Group Registration

A group registration must include updates or revisions, either alone or combined with the initial database.

For a **published** database, it is possible to make a group registration for only the updates/revisions published over a period of up to 3 months, regardless of whether a prior registration for the initial database was ever made. It is also possible for the first registration to be a group registration for the initial database as first published plus its updates/revisions, but only if all the material was published within the same 3-month period within the same calendar year.

An **unpublished** updated database may be registered under the group registration provisions if its updates were created over a span of more than one day.

BASIC REGISTRATION (NONGROUP)

Scope of Claim

Registration for a **published** database extends only to the material first published as a unit, i.e., that which is published on the date given in the application as the "date of publication." Registration for an **unpublished** database extends to the database as it exists at the time it is submitted for registration.

What to Send

- A completed Form TX
- A \$20.00¹ nonrefundable filing fee payable to the Register of Copyrights
- Appropriate deposit (See below.)

Completing Form TX

Complete all applicable spaces on the form, and please note the following information when completing spaces 2, 3, and 6.

Basis of Claim

Where all of the material in a database has been previously published, previously registered, or is in the public domain, the claim must be limited to "compilation" assum-

ing the requisites of original selection, coordination, or arrangement are present. Where all, or a substantial portion, of the material in the database represents copyrightable expression and it is being published or registered for the first time, the claim could also extend to "text," "revised text," "additional text," or the like.

Space 2. In the "nature of authorship" space identify the copyrightable authorship in the database for which registration is sought, for example "compilation" or "compilation and text." (Do not include any reference to design, physical form, features, hardware, or other uncopyrightable elements.)

Space 3. The **date of creation** space must be completed. Indicate the year in which the author completed the particular version for which registration is now sought, even if other versions exist or if further changes or additions are planned. The **publication** space should be completed only if the database has been published.

Space 6. Complete this space if the database contains a substantial amount of previously published, previously registered, or public domain material. Leave space 6 blank if the material contained in the database is entirely new and has never before been registered or published.

EXAMPLES: For a database containing only previously published information, space 6 could be completed as follows:

Space 6a: "previously published material"

Space 6b: "compilation of database material"

For a database containing both previously published and new original textual material, space 6 could be completed as follows:

Space 6a: "previously published text"

Space 6b: "compilation of database material and some new text"

For a previously registered database that is revised or updated, space 6 could be completed as follows:

Space 6a: "previously registered database"

Space 6b: "revised compilation"

Or, if there is also copyrightable new or revised text, space 6b could read: "Revised compilation; some new text" (or "some revised text").

¹The Copyright Office has the authority to adjust fees at 5-year intervals, based on changes in the Consumer Price Index. The next adjustment is due in 1995. Please contact the Copyright Office after July 1995 to determine the actual fee schedule.

Deposit Requirements—General

For databases fixed and/or published only in machine-readable copies (other than CD-ROM format), the deposit requirements are the same for published and unpublished databases except that if the database is published, the deposit should also include a representation of or the page containing the copyright notice, if any.

The deposit for published and unpublished databases should consist of one copy of identifying portions of the work reproduced in a form visually perceptible without the aid of a machine or device, either on paper or in microform.

For automated databases fixed or published in a CD-ROM format, the deposit must consist of one complete copy of the entire CD-ROM package, including a complete copy of any accompanying operating software and instructional manual, and a printed version of the work embodied in the CD-ROM if the work is fixed in print as well as a CD-ROM. See 37 CFR 202.20(c)(2)(xvii) or contact the Copyright Office at (202) 707-3000 for further information.

Specific Deposit Requirements

Single-file Database (data records pertaining to a single common subject matter):

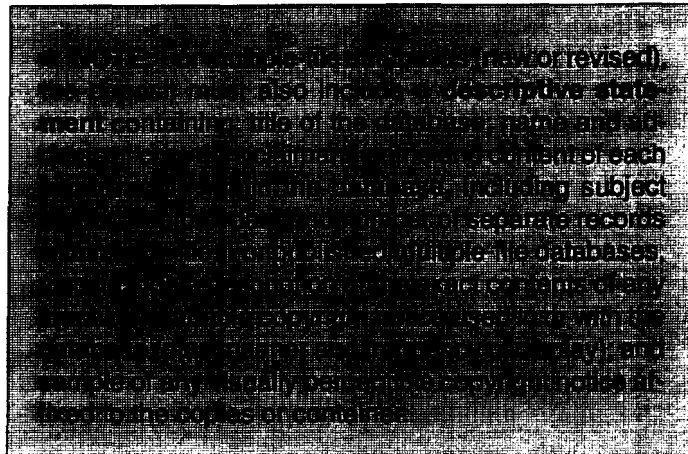
- First and last 25 pages or, under a grant of special relief, first and last 25 data records. (See "Special Relief and Trade Secrets" below for procedure to use in requesting special relief.)

* **Multiple-file Database** (separate and distinct groups of data records):

- 50 data records from each file, or the entire file, whichever is less; or
- 50 pages or data records total under a grant of special relief. (See "Special Relief and Trade Secrets" below for procedure to use in requesting special relief.)

* **Revised Database** (single or multiple-file):

- 50 pages or records showing the revisions, or the entire revised portions if less than 50 pages.



Special Deposit for Encoded Databases

Database deposits should be humanly intelligible, preferably printouts written in a natural language. If the deposit is encoded, it should include a key or explanation of the code so that a copyright examiner can determine the presence of copyrightable material.

Special Relief and Trade Secrets

When an applicant is unable to deposit the appropriate material or when a database contains trade secrets that the applicant is unwilling to disclose through deposit for registration, the Copyright Office is willing to consider special relief requests, permitting the deposit of less than or other than the required deposit. Special relief requests are granted or denied by the Chief, Examining Division, upon receipt of the applicant's written request, setting forth specific reasons why the request should be granted and indicating what deposit the applicant is able to make.

GROUP REGISTRATION FOR AUTOMATED DATABASE UPDATES/REVISIONS

Group registration is possible only if ALL of the following conditions are met:

1. All of the updates or revisions must be fixed (if unpublished) or published only in machine-readable copy(ies).
2. All of the updates or revisions were created (if unpublished) or were first published within a 3-month period, all within the same calendar year.
3. All of the updates or revisions are owned by the same copyright claimant.
4. All of the updates or revisions have the same general title.
5. All of the updates or revisions are similar in their general content, including their subject.
6. All of the updates or revisions are similar in their organization.
7. The updates or revisions, if published before March 1, 1989, bear a copyright notice naming the owner of the copyright, and that name is the same in each notice.

Scope of Claim

Group registration for database updates/revisions or for a database plus its updates/revisions extends to all of the material that was created (if unpublished) or that was first published within the time period (up to 3 months) specified at space 1 of the application.

How to Register

To make a single group registration for an automated database and/or its copyrightable updates/revisions added during a given 3-month period, send the following three items together in the same envelope or package addressed to Register of Copyrights, Library of Congress, Washington, D.C. 20559:

- A \$20.00¹ nonrefundable filing fee payable to Register of Copyrights;

- A deposit representative of the updates/revisions being registered;
- A Form IX completed according to the instructions below.

Deposit of Representative for Group Registration

The deposited work must be either single or multiple-file, covering the following:

1. **Visually perceptible identifying material** comprised of:
 - All pages or records (whichever is less) marked to disclose copyrightable revisions/updates from one representative publication date (if published) or one representative creation date (if unpublished); * *
 - OR
 - 50 pages or records (whichever is less) comprised entirely of revisions/updates from one representative publication date (if published) or one representative creation date (if unpublished); please confirm in a cover letter that the entire unmarked deposit represents revisions/updates added to the database on the representative date.

AND

2. **Descriptive Statement:** a brief, typed or printed statement giving the following information:

- the title of the database;
- the name and address of the copyright claimant;
- for each separate file in a multiple-file database, its name and content, including its subject, origin(s) of the data, and approximate number of data records it contains;
- information about the nature, location, and frequency of the changes within the database or (for multiple-file databases) within the separate data files; and

*** * NOTE:** It is not necessary to identify ALL revisions/updates. The requirement is to identify sufficient revisions/updates to establish that the work submitted for registration is an original work of authorship.

- information about the copyright notice, if one is used, as follows:

For a *machine-readable notice*, transcribe the contents of the notice and indicate the manner and frequency with which it is displayed (e.g., at user's terminal only at sign on, or continuously on terminal display, or on printouts, etc.).

For a *visually perceptible notice* on any copies of the work (or on tape reels or containers for same), include a photocopy or other sample of the notice.

**How to Complete Form TX
for Group Registration of Database Updates**
(Supersedes existing instructions for Spaces 1, 3, and 6 of Form TX; complete all other applicable spaces on Form TX according to the instructions on the form.)

Space 1: Title

At the "Title of this Work" line, use the following statement: *Group registration for automated database titled _____; published/unpublished (choose one) updates from _____ to _____*

- Indicate published or unpublished. All of the updates or revisions being registered as a group must be either published or unpublished.
- Give the earliest and latest dates for updates included in this group registration. This time period must be 3 months or less, all within the same calendar year.

Use the "Publication as a Contribution" line of space 1 to give the following information. Give the **date** (month, day, year) that is **represented by the marked portions of identifying material deposited**. Indicate the **frequency with which revisions are made**: e.g., daily, weekly, monthly, or other (specify).

Space 3 Creation and Publication

Date of Creation: Give the year in which the author completed this group of updates or revisions.

Creation: Under the statute, a work is "created" when it is fixed in a copy or phonorecord for the first time. Where a work has been prepared over a period of time,

the part of the work existing in fixed form on a particular date constitutes the created work on that date. The date you give here should be the year in which the author completed the particular version for which registration is now being sought, even if other versions exist or if further changes or additions are planned.

Date of Publication: Give the date (month, day, year) and nation of publication only if the updates or revisions have been published. The date you give should be the last date on which you published updates or revisions during the time period specified at space 1.

Space 6: Derivative Work or Compilation

Leave space 6 blank if the material contained in the version of the database or its updates now being registered is entirely new and never before registered or published.

Complete this space if the updates or the database and its updates that are now being registered contain a substantial amount of previously published, previously registered, or public domain material.

Preexisting Material (space 6a): For a new database that has not been previously registered or previously published but that contains an appreciable amount of previously published, previously registered, or public domain material, space 6a should describe such material as "previously published material," "public domain data," or the like.

For a previously published or previously registered database that has been revised or periodically updated, space 6a should describe the preexisting material as "previously published database" or "previously registered database" or "database prior to (earliest date represented in the present group of updates)".

Material Added to This Work (space 6b): This space should describe the updates or revisions or new compilation being registered for the first time and should specify the frequency of these updates or revisions, e.g., "Weekly updates," or "daily revisions," or "revised compilation updated monthly." Where all or a portion of the text represents new copyrightable expression, and it is being published or registered for the first time, the statement should also include "new text," "updated and revised text," or the like. Space 2 should name the author(s) of the material listed at space 6b and should describe the nature of authorship to agree with space 6b.

NOTICE OF COPYRIGHT

For works first published on or after March 1, 1989, use of the copyright notice is optional, though highly recommended. Before March 1, 1989, use of the notice was mandatory on all published works, and any work first published before that date **must** bear a notice or risk loss of copyright protection.

(The Copyright Office does not take a position on whether works first published with notice before March 1, 1989, and reprinted and distributed on and after March 1, 1989, must bear the copyright notice.)

Use of the notice is recommended because it informs the public that the work is protected by copyright, identifies the copyright owner, and shows the year of first publication. Furthermore, in the event that a work is infringed, if the work carries a proper notice, the court will not allow a defendant to claim "innocent infringement," that is, that he or she did not realize that the work was protected. (A successful innocent infringement claim may result in a reduction in damages that the copyright owner would otherwise receive.)

The use of the copyright notice is the responsibility of the copyright owner and does not require permission from, or registration with, the Copyright Office.

POINTS TO REMEMBER

A copyright registration is effective on the date of receipt in the Copyright Office of all the required elements in acceptable form, regardless of the length of time it takes to pro-

cess the application and mail the certificate of registration. The length of time required by the Copyright Office to process an application varies, depending on the amount of material received and the personnel available to handle it. It must also be kept in mind that it may take a number of days for mailed material to reach the Copyright Office and for the certificate of registration to reach the recipient.

You will not receive an acknowledgement that your application for copyright registration has been received (the Office receives more than 650,000 applications annually), but you may expect:

- A letter or telephone call from a copyright examiner if further information is needed;
- A certificate of registration to indicate the work has been registered, or if the application cannot be accepted, a letter explaining why it has been rejected.

You may not receive either of these until 120 days have passed.

If you want to know when the Copyright Office receives your material, send it by registered or certified mail and request a return receipt.

FOR MORE INFORMATION

If you have questions and wish to talk to an information specialist, call 202-707-3000. To order forms, write to the Publications Section, LM-455, Copyright Office, Library of Congress, Washington, D.C. 20559 or call 202-707-9100, the Forms and Publications Hotline.



Copyright Office • Library of Congress • Washington, D.C. 20559

APPENDIX B

FORTHCOMING

APPENDIX C

WIPO



CRNR/DC/6
ORIGINAL: English
DATE: August 30, 1996

WORLD INTELLECTUAL PROPERTY ORGANIZATION
GENEVA

**DIPLOMATIC CONFERENCE
ON
CERTAIN COPYRIGHT AND NEIGHBORING RIGHTS QUESTIONS**

Geneva, December 2 to 20, 1996

**BASIC PROPOSAL
FOR THE SUBSTANTIVE PROVISIONS OF THE TREATY
ON INTELLECTUAL PROPERTY IN RESPECT OF DATABASES
TO BE CONSIDERED BY THE DIPLOMATIC CONFERENCE**

*prepared by the Chairman of the Committees of Experts
on a Possible Protocol to the Berne Convention
and
on a Possible Instrument for the Protection of the Rights of Performers
and Producers of Phonograms*

Memorandum prepared by the Chairman of the Committees of Experts

1. In the program of WIPO for the 1990-1991 biennium provision was made to convene a Committee of Experts to examine questions concerning a possible protocol to the Berne Convention for the Protection of Literary and Artistic Works. The Committee was convened in two sessions, the first in November 1991 and the second in February 1992. In 1992 two Committees of Experts were set up, one to continue the work started by the first Committee and the other to begin preparation of a possible new instrument for the protection of the rights of performers and producers of phonograms. The Committee of Experts on a Possible Protocol to the Berne Convention then held five further sessions, the third in June 1993, the fourth in December 1994, the fifth in September 1995, the sixth in February 1996 and the seventh in May 1996. The Committee of Experts on a Possible Instrument for the Protection of the Rights of the Performers and the Producers of Phonograms held six sessions, the first in June-July 1993, the second in November 1993, the third in December 1994, the fourth in September 1995, the fifth in February 1996 and the sixth in May 1996. The last three sessions of the two Committees (referred to subsequently as the Committees of Experts) were convened on the same dates and parts of the sessions were held jointly.
2. Until the December 1994 sessions of the Committees of Experts work was based on memoranda prepared by the International Bureau of WIPO. Following the decisions by the Committees of Experts the Director General of WIPO invited Government members and the European Commission to submit proposals for discussion at the September 1995 and February 1996 sessions.
3. In the December 1994 sessions of the Committees of Experts the Delegation of the European Commission informed the Committees about the progress of work in the European Community on a proposal for a Directive on the legal protection of databases which included a proposal for creating a *sui generis* right to be granted to the maker of a non-original database. In the September 1995 sessions the European Community and its Member States submitted to the Committees of Experts a discussion paper on "The *sui generis* right provided for in the Proposal for a Directive on the legal protection of databases" (document BCP/CE/V/5). After additional comments by the Delegation of the European Commission the Committees of Experts accepted the conclusion that the issue of such a possible *sui generis* system would be discussed further at the next sessions of the Committees on the basis of the proposals that might be made by Governments and the European Commission.
4. The European Community and its Member States submitted a proposal for the international harmonization of the *sui generis* protection of databases (document BCP/CE/VI/13) at the February 1996 sessions of the Committees of Experts. The proposal included draft provisions for the substantive clauses of a treaty. The Committees considered the proposal and several Delegations expressed positive interest in the *sui generis* right and in the continuation of work. At the same time, however, both further study and the clarification of certain concepts were requested.
5. The United States of America submitted a proposal on the *sui generis* protection of databases (document BCP/CE/VII/2-INR/CE/VI/2) in the May 1996 sessions of the Committees of Experts. The proposal included draft substantive provisions of a treaty. The Committees considered this proposal together with the previous proposal made by the European Community and its Member States (see paragraph 4). Several Delegations took the position that the question of the *sui generis* protection of databases could be submitted for

consideration by the Diplomatic Conference in December 1996. Several other Delegations held the view that further study was still necessary.

6. In their February 1996 sessions the Committees of Experts had recommended that a Diplomatic Conference for the conclusion of the appropriate treaties should be held in December 1996. A meeting of the Preparatory Committee of the Proposed Diplomatic Conference, the General Assembly of WIPO and the Assembly of the Berne Union were held in Geneva from May 20 to 24, 1996. The Preparatory Committee and the Assemblies decided that a WIPO Diplomatic Conference on Certain Copyright and Neighboring Rights Questions would be convened from December 2 to 20, 1996.

7. The Chairman of the Committees of Experts was entrusted at the February 1996 sessions with the task of preparing the draft texts ("the basic proposals") for the Diplomatic Conference; the WIPO International Bureau was to publish and circulate these draft texts by September 1, 1996, to the States, intergovernmental and non-governmental organizations to be invited to the Diplomatic Conference. The Director General of WIPO proposed that the International Bureau would prepare the draft of the final clauses of the treaty or treaties. The draft Final Clauses prepared by the Director General (document CRNR/PM/2) were examined by the Preparatory Committee of the Proposed Diplomatic Conference in May 1996.

8. In the introduction to the draft Final Clauses, the Director General of WIPO stated: "On the basis of the deliberations of the Committees of Experts, it is assumed that the aim of the Diplomatic Conference will be to adopt one or more multilateral treaty or treaties on questions of copyright, on questions of two branches (one concerning performing artists, the other concerning producers of phonograms) of neighboring rights and, perhaps, also on questions concerning *asui generis* protection of data bases."

9. There is no decision on the number of treaties to be proposed for adoption by the Diplomatic Conference in December 1996. The Committees of Experts have made no recommendation on this issue, and after extensive discussion, the question was left open in the May 1996 meetings of the Preparatory Committee, the General Assembly of WIPO and the Assembly of the Berne Union. In this respect, the mandate given to the Chairman of the Committees of Experts was therefore open and included the possibility of establishing draft texts for one, two or three treaties.

10. Basic Proposals for the substantive provisions of three treaties are proposed by the Chairman of the Committees of Experts:

1. "Treaty on Certain Questions Concerning the Protection of Literary and Artistic Works",
2. "Treaty for the Protection of the Rights of Performers and Producers of Phonograms",
3. "Treaty on Intellectual Property in Respect of Databases".

11. It is the assessment of the Chairman of the Committees of Experts that the expectations of the majority of Delegations participating in the meetings referred to in paragraph 9 are most closely met by proposing three draft texts. The Diplomatic Conference has the power to combine separate draft treaties into one single treaty should it find this course of action appropriate. A combined text would have several advantages, and such an option may be viewed as one of legal technique; on the other hand, a single text approach would entail certain political and doctrinal considerations. For example, Governments contemplating ratification of

or accession to such a single text would have to analyze and consider implementation of the whole contents of the combined instrument.

12. The present set of draft substantive provisions of the Basic Proposals referred to in paragraph 10, of which the present document is one, have been prepared by the Chairman of the Committees of Experts according to decisions made by the Committees at their February 1996 sessions. The Basic Proposal for the Administrative and Final Clauses of all these proposed Treaties have been submitted by the Director General of WIPO in a separate document.

13. The present document sets forth the substantive provisions of the Basic Proposal of the Treaty on Intellectual Property in Respect of Databases. There are 13 Articles preceded by a Preamble. Each provision is accompanied by explanatory Notes.

14. The purpose of the explanatory Notes is:

- (i) to explain briefly the contents and rationale of the proposals and to offer guidelines for understanding and interpreting specific provisions,
- (ii) to indicate the reasoning behind the proposals, and
- (iii) to include references to proposals and comments made at sessions of the Committees of Experts, as well as references to models and points of comparison found in existing treaties.

15. The present Basic Proposal has been prepared on the basis of the proposals referred to paragraphs 4 and 5, taking into account discussions in the Committees of Experts. These proposals have been carefully studied, and portions of them appear in several places in the proposed Treaty, sometimes in a reformulated or combined format. Additional elements have been introduced where necessary, and not all elements of all proposals are reflected in the proposed Treaty. In some instances, alternative solutions are proposed, but the number of proposed alternatives is limited. Alternatives have been designated in the text using capital letters in accordance with Rule 29(b) of the draft Rules of Procedure for the Diplomatic Conference. One of the proposed alternative solutions includes an Annex with special provisions on enforcement.

**Draft Treaty
on Intellectual Property
in Respect of
Databases**

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ANNEX

Notes on the Title and on the Preamble

0.01 The proposed Treaty complements the existing treaties in the field of intellectual property. For this reason, the expression "intellectual property" has been included in ~~the~~ title of the proposed Treaty. The Treaty extends protection to databases that qualify according to the provisions of the Treaty. The expression "database" has been included in the title without further qualification.

0.02 The first paragraph of the Preamble expresses the primary objective of Contracting Parties in concluding the Treaty.

0.03 The second paragraph indicates the main reasons behind the objective stated in the first paragraph.

0.04 The third paragraph indicates the main reasons why Contracting Parties think databases ought to be protected as intellectual property.

0.05 The fourth paragraph refers to the means by which Contracting Parties seek to obtain their objective, namely to establish a new form of protection which, by enabling recovery of investments in databases, encourages investment in this field.

0.06 The fifth paragraph underlines the principle that the proposed Treaty does not interfere with other forms of intellectual property protection at the international level. Because many databases are already protected as literary or artistic works under the Berne Convention for the Protection of Literary and Artistic Works (hereinafter referred to in these Notes as "the Berne Convention"), a specific reference to the Convention has been made. The provisions of the proposed Treaty leave unaffected the protection provided under existing treaties for other intellectual property rightholders, including authors, performers, producers of phonograms, and broadcasting organizations.

[End of Notes on the Title and the Preamble]

Preamble

The Contracting Parties,

Desiring to enhance and stimulate the production, distribution and international trade in databases,

Recognizing that databases are a vital element in the development of a global information infrastructure and an essential tool for promoting economic, cultural and technological advancement,

Recognizing that the making of databases requires the investment of considerable human, technical and financial resources but that such databases can be copied or accessed at a fraction of the cost needed to design them independently,

Desiring to establish a new form of protection for databases by granting rights adequate to enable the makers of databases to recover the investment they have made in their databases and by providing international protection in a manner as effective and uniform as possible,

Emphasizing that nothing in this Treaty shall derogate from existing obligations that Contracting Parties may have to each other under treaties in the field of intellectual property, and in particular, that nothing in this Treaty shall in any way prejudice the rights granted to authors in the Berne Convention for the Protection of Literary and Artistic Works,

Have agreed as follows:

[End of Preamble]

Notes on Article 1

1.01 Article 1 sets out the scope of the proposed Treaty. It provides that Contracting Parties shall protect all databases that represent a substantial investment.

1.02 The production and distribution of databases has become a broad economic activity which is expanding rapidly worldwide. The production and distribution of databases may be viewed as a "content industry" within the information industry, and it may be expected that this industry will be a major source of employment. The development of a content industry has both direct and indirect effects on the development of the information infrastructure at a national and international level. In this connection, the database industry plays a significant role in fostering new industries and new jobs.

1.03 The production and distribution of databases requires considerable investment. At the same time, exact copies of whole databases or their essential parts can be made at practically no cost. The increasing use of digital recording technology exposes database makers to the risk that the contents of their databases may be copied and rearranged electronically, without their authorization, to produce similar competing databases or databases with identical content.

1.04 Unauthorized retrieval and copying of the contents of a database has serious consequences for the economics of database production. Protection against unauthorized copying and other unauthorized use has been sought through the copyright system. According to the prevailing view, a significant proportion of existing databases may already be protected by copyright. A condition for this protection is that a database meet the requirements for copyright protection, i.e. that it be the result of its creator's own intellectual effort and that it achieve a sufficient level of originality. It has, however, become evident that copyright does not provide sufficient protection. Many valuable databases do not qualify for copyright protection. It should be noted that in some countries specific *ui generis* forms of intellectual property protection now apply to databases or are presently being established. In some other countries, copyright seems to provide all the protection needed by databases. Nonetheless, these national or regional solutions remain insufficient. In the network environment of the global information infrastructure the database market is truly international and does not respect national boundaries.

1.05 In all countries, continued investment is an essential factor for the development and refinement of databases. Such investment will not take place unless a stable and uniform regime of legal protection is established to protect the rights of makers of databases.

1.06 The proposed Treaty seeks to safeguard makers of databases against misappropriation of the fruits of their financial and professional investment in collecting, verifying and presenting the contents of databases. It does this by proposing protection that covers the whole or substantial parts of a database against certain acts by a user or by a competitor, for the limited duration of the right. The investment, of course, may comprise financial resources, human resources or both.

1.07 On March 11, 1996, the European Parliament and the Council of the European Union adopted a Directive on the legal protection of databases (96/9/EC). This Directive harmonizes